

Charity Registration No. 259626

Company Registration No. 00956100 (England and Wales)

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S C Allsop G C Bowler I Dixon F P Galvin D J Guest J R Hillier G Howard P W Skellon S J Peach H J Peach P W Smith K Whitmore J M Winderbank	(Appointed 21 August 2019) (Appointed 21 August 2019)
Charity number	259626	
Company number	00956100	
Registered office	The Shippen 8 The Old Hall Court Yard Heath Wakefield West Yorkshire WF1 5ST	
Independent examiner	Craig Stratford FCA c/o Simpson Wood Limited Bank Chambers Market Street Huddersfield HD1 2EW	
Bankers	The Royal Bank of Scotland Plc Chatham Customer Service Centre Waterside Court Chatham Maritime Chatham ME4 4RT	
Solicitors	Molesworth Bright-Clegg Octagon House 25-27 Yorkshire Street Rochdale OL16 1RH	

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

CONTENTS

	Page
Trustees report	1 - 4
Statement of trustees responsibilities	5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 17

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees present their report and financial statements for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Objectives and activities

Objective and Policy

The objective of the Society is to encourage and promote public interest in the preservation of steam and other railway locomotives and rolling stock together with railway machinery and equipment.

The policy is:-

- a) to acquire and restore suitable railway locomotives and rolling stock, etc and display them to the public either as static or preferably working exhibits and
- b) to operate a museum and educational facility which displays and conserves the collection of smaller artefacts and explains to future generations the important part the railway industry has played in the industrial, social and economic development of this country.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The Museum welcomed 14,824 visitors during the year. This is a small increase in visitor numbers of 945 compared to 2018. Our employees open the museum every day apart from Sunday, which is operated by volunteers. In addition volunteers open the learning coach at weekends, bank holidays and special events in order to provide greater reassurance that at least one Duty Officer will be available every day to open the museum and shop. Visitors to the learning coach in 2019 were 1,680, a considerable increase on 2018. The Society is now wholly responsible for employment of our duty officers and our Learning and Community Engagement Manager following the completion of the lottery funding.

We have also worked closely with Hope Cement Works in Derbyshire and both the Coal Tank and Nunlow visited the works for their 90th birthday celebrations. In addition we are very pleased to have been able to have accommodated 4 apprentices from the works who have assisted in the overhaul of the Coal Tank and will be making further visits to work on both the Coal Tank and Nunlow.

Bahamas has again proved to be a very popular locomotive with continuing runs on the main line and starring in the Keighley and Worth Valley Railway Gala drawing crowds to see the locomotive back in steam. Hire income for the year amounted to around £42,000 which is reflected in the accounts of our trading subsidiary. The net profit of the trading subsidiary of £13,565 was donated to the Society by way of a management charge (note 17).

March 2019 marked the conclusion of the National Lottery Heritage Fund project that has supported the restoration of "Bahamas" and associated community outreach with a total grant of £775,000. The loco's first run on the mainline took place on 9 February from Oxenhope to Carlisle and return via the S&C. This trip sold out in 3 hours and so a second trip was organised over the same route on the following Saturday, 16 February. The official commissioning of "Bahamas" took place on 30 March with a prestigious event at Ingrow followed by a trip on the KWVR hauled by "Bahamas".

Members are able to keep up to date with the Society's activities by way of a website and the Journal which is published in colour four times per year and more recently a Society Facebook page has been successfully introduced. Members are also encouraged to become involved in our activities and acquire the traditional skills associated with railway engineering and operation; we run new members' open days to encourage this.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

The Museum continues to operate within the Museum Accreditation status given by Arts Council England. This recognises our continued high standard in museum activities. A considerable amount of time this year has been spent in preparing our submission to continue as an Accredited Museum which has been sent to Arts Council England for consideration. We acknowledge the help and advice given by our Museum Accreditation Mentor, Helen Ashby. We are also very grateful to Museum Development Yorkshire for their continued support and for funding 2 training sessions for both our duty officers and volunteers, ensuring that we continue to function in a professional and welcoming manner.

Financial review

Reserves

The Balance Sheet shows the restricted and unrestricted funds of the Society at the year end and the prior year. Note 15 shows the movements on restricted funds. At the year end, unrestricted funds amounted to £166,381, but after taking account of amounts invested in fixed assets less fixed assets relating to restricted funds, the free reserves are £101,875, representing approximately 29 months' expenditure which the trustees feel is adequate.

Financial Risk Strategy

The Committee of Management regularly reviews the main areas of financial risk. These may be summarised as follows: -

- a) Insufficient funds to continue operations and complete projects.
- b) Unauthorised transactions.
- c) Failure to safeguard our assets.
- d) Failure to adhere to legislation or restrictions in whatever field.
- e) Liabilities are not identified and provision not made for them.

These risks are mitigated as follows:

The Committee meets regularly to oversee the Society's activities. Major expenditure has to be approved by the Committee and committee members (directors) have specific roles and duties. The Committee ensures that current projects have sufficient funds available on a regular basis from a variety of sources e.g. subscriptions, donations, Gift Aid, shop and museum income and grants. At present the company has no borrowings. Our assets are housed securely at Ingrow other than Bahamas which is securely stored at Howarth. Items stored outside are secured and protected from the weather. A modern security system is in place and various insurance policies including public liability are in force. The Committee keeps up to date with legislation and regulations by contact with specialists in the preservation sphere, membership of various associations and by taking advice from recognised experts.

Plans for the future

As I write this report the UK is in the midst of a national emergency owing to the coronavirus crisis. Our museum, shop and workshop are all currently closed and there is considerable uncertainty regarding when they might reopen. The paragraph below gives our plans for 2020. However, these plans are now subject to uncertainty and events may be curtailed, postponed or cancelled in accordance with current and future Government guidelines.

Bahamas will, of course, now continue to operate on the main line and we also intend to make the locomotive available for hire to a limited number of preserved railways. Work has started on the overhaul of the Coal Tank and following this we shall turn our attention to the overhaul of Nunlow. We will continue to work with our friends and colleagues at the Keighley and Worth Valley Railway and the Vintage Carriages Trust to continue to develop Rail Story as a first class visitor attraction. To this end we are looking at the possibility of an extension to the museum building and improving facilities for our volunteers, staff and visitors. 2020 will see additional activities at Ingrow including a Yorkshire Day weekend, Food and Drink Festival and a summer Model Railway Exhibition in conjunction with the Keighley Model Railway Society. We are also determined to improve our volunteer base and futureproof the society for the next generation of volunteers.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

We are virtually the only voluntary society in the UK which owns an operational mainline certificated locomotive, opens a museum 364 days a year and operates a workshop. We also operate sales both at Ingrow and at outside events. Our members and volunteers are one of our most valuable assets without whose help and support the Society could not exist in its present form and liquidity.

Structure, governance and management

The Bahamas Locomotive Society Limited is a company limited by guarantee, first registered in England as no. 956100 on 12 June 1969 and is governed by its Memorandum and Articles of Association. The company has also been registered as a Charity for Educational Purposes as no. 259626 since 10 August 1970.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

S C Allsop

G C Bowler

I Dixon

F P Galvin

D J Guest

J R Hillier

G Howard

P W Skellon

S J Peach

H J Peach

(Appointed 21 August 2019)

P W Smith

(Appointed 21 August 2019)

K Whitmore

J M Winderbank

A Committee of Management, currently consisting of thirteen directors and trustees, holds monthly meetings to manage the activities of the Society. Details of the directors/trustees are included in the company information given on the first page of the financial statements. We were pleased to welcome 2 new directors and trustees in Helen Peach and Peter Smith.

A wholly owned subsidiary, Bahamas Loco Trading Limited, was formed in 1991 with a working capital of £5,000. This company is responsible for all trading activities such as locomotive hire, employment contracts, books and souvenir sales. Profits are transferred to the Society in return for free use of the Society's locomotives and other assets.

The Society is an organisation based on voluntary involvement. Fortunately, the Society is well supported by its friends and members and relies on volunteer labour wherever possible. Thanks again are due to the dedicated team who have operated the museum and shop and cared for the Society's assets. A small number of paid staff are employed in customer-facing and museum roles. Otherwise, neither directors nor members receive any remuneration.

In 1973 the National Trust placed its "Coal Tank" locomotive no. 1054 in the long-term custody of the Society. The engine's last refurbishment was completed in 2012 with the aid of a grant from the National Lottery Heritage Fund. The National Trust holds a donation from a society member, originally of £20,000, reserved for future major overhauls of the locomotive. Following some issues with leaking boiler tubes and coupled with the desire to have the locomotive operational in 2022 as the sole LNWR operational locomotive to celebrate the centenary of the merger of the Lancashire and Yorkshire and London and North Western Railways it was decided to withdraw the locomotive early. The overhaul is now well underway.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

Liquid assets are held in current and deposit accounts with the Charities Official Investment Fund and various high street banks.

The Society's base has been known as "Ingrow Loco - Museum and Workshop" on the Keighley and Worth Valley Railway (K&WVR) in West Yorkshire where an ex Midland Railway goods warehouse has been converted into a workshop and museum with financial assistance from the NLHF. The Ingrow site is continuing to be developed as 'Rail Story' and the Society has re-branded and developed its museum there to provide the "Engine Shed" component of the attraction. We are looking at further developments to improve the visitor experience at the Ingrow site including a possible extension to the museum building.

Accountants

Accountants Simpson Wood will be considered for re-appointment at the forthcoming annual general meeting.

The trustees report was approved by the Board of Trustees.

K Whitmore

Trustee

Dated: 15 April 2020

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees, who are also the directors of The Bahamas Locomotive Society Limited for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

I report on the financial statements of the charity for the year ended 31 December 2019, which are set out on pages 7 to 17.

Respective responsibilities of trustees and examiner

The trustees, who are also the directors of The Bahamas Locomotive Society Limited for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 in 2017 and I am qualified to undertake the examination being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility:

- (i) to examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Craig Stratford FCA

c/o Simpson Wood Limited
Chartered Accountants
Bank Chambers
Market Street
Huddersfield
HD1 2EW

Dated: 15 April 2020

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Income from:					
Voluntary activities	3	17,892	13,788	31,680	36,349
Charitable activities	4	-	46,527	46,527	122,080
Other trading activities	5	38,514	-	38,514	27,402
Investments	6	305	1,294	1,599	1,256
Total income		<u>56,711</u>	<u>61,609</u>	<u>118,320</u>	<u>187,087</u>
Expenditure on:					
Raising funds	7	<u>507</u>	<u>-</u>	<u>507</u>	<u>506</u>
Charitable activities	8	<u>41,059</u>	<u>96,655</u>	<u>137,714</u>	<u>173,952</u>
Total resources expended		<u>41,566</u>	<u>96,655</u>	<u>138,221</u>	<u>174,458</u>
Net income/(expenditure) for the year/ Net movement in funds		15,145	(35,046)	(19,901)	12,629
Fund balances at 1 January 2019		<u>151,236</u>	<u>368,551</u>	<u>519,787</u>	<u>507,158</u>
Fund balances at 31 December 2019		<u><u>166,381</u></u>	<u><u>333,505</u></u>	<u><u>499,886</u></u>	<u><u>519,787</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		130,148		141,056
Investments	12		5,000		5,000
			<u>135,148</u>		<u>146,056</u>
Current assets					
Debtors	13	32,969		57,116	
Cash at bank and in hand		340,031		327,004	
		<u>373,000</u>		<u>384,120</u>	
Creditors: amounts falling due within one year	14	(8,262)		(10,389)	
Net current assets			364,738		373,731
Total assets less current liabilities			<u>499,886</u>		<u>519,787</u>
Income funds					
Restricted funds	15		333,505		368,551
Unrestricted funds			166,381		151,236
			<u>499,886</u>		<u>519,787</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 15 April 2020

K Whitmore
Trustee

Company Registration No. 00956100

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

The Bahamas Locomotive Society Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Shippen, 8 The Old Hall Court Yard, Heath, Wakefield, West Yorkshire, WF1 5ST.

1.1 Accounting convention

The accounts have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of receipt.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Building improvements	Straight line over 25 years
Plant and machinery	Straight line over 20 years
Fixtures and equipment	10% on reducing balance
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.12 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when the funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1.13 Grants

Capital grants received are treated as deferred income and as such are released to the profit and loss account over the same period of asset depreciation. In accordance with the Statement of Recommended Practice, all heritage grants are treated as income when receivable.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Voluntary activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Donations and gifts	12,998	13,788	26,786	31,221
Membership fees	4,894	-	4,894	5,128
	<u>17,892</u>	<u>13,788</u>	<u>31,680</u>	<u>36,349</u>
For the year ended 31 December 2018	<u>24,307</u>	<u>12,042</u>		<u>36,349</u>

4 Charitable activities

	Grants £	2018 £
Grants receivable for core activities	<u>46,527</u>	<u>122,080</u>
Analysis by fund Restricted funds	<u>46,527</u>	<u>122,080</u>

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

5 Other trading activities

	Unrestricted funds £	Total 2018 £
Fundraising events	2,253	1,410
Admissions	22,375	21,777
Other income	13,886	4,215
	<u>38,514</u>	<u>27,402</u>

6 Investments

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Interest receivable	<u>305</u>	<u>1,294</u>	<u>1,599</u>	<u>1,256</u>
For the year ended 31 December 2018	<u>242</u>	<u>1,014</u>		<u>1,256</u>

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Raising funds

	Unrestricted funds £	Total 2018 £
<u>Fundraising and publicity</u>		
General fundraising expenditure	507	506
	<u>507</u>	<u>506</u>
	<u><u>507</u></u>	<u><u>506</u></u>

8 Charitable activities

	Charitable activities £	Governance costs £	Total 2019 £	Total 2018 £
Depreciation and impairment	11,282	-	11,282	9,925
Rent and rates	222	-	222	226
Insurance	11,193	-	11,193	9,973
Light, heat and power	2,398	-	2,398	634
Repairs to buildings and equipment	6,342	-	6,342	5,581
Locomotive and rolling stock maintenance	82,735	-	82,735	103,509
Postage and stationery	4,209	-	4,209	4,743
Telephone	854	-	854	377
Sundries	1,029	-	1,029	8,198
Bank charges	359	-	359	645
Legal and professional fees	350	-	350	664
Travel and subsistence	202	-	202	89
Outreach activities	15,264	-	15,264	28,113
	<u>136,439</u>	<u>-</u>	<u>136,439</u>	<u>172,677</u>
Governance costs	-	1,275	1,275	1,275
	<u>136,439</u>	<u>1,275</u>	<u>137,714</u>	<u>173,952</u>
	<u><u>136,439</u></u>	<u><u>1,275</u></u>	<u><u>137,714</u></u>	<u><u>173,952</u></u>

The governance costs relate to the accountancy fees for both this year and the previous year.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year and, aside from travel expenses, there were no trustees' expenses paid for the year (2018 - nil).

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Employees

There were no employees during the year.

11 Tangible fixed assets

	Building improvements £	Plant and machinery £	Fixtures and equipment £	Computers £	Total £
Cost					
At 1 January 2019	218,262	92,005	17,916	-	328,183
Additions	-	-	-	378	378
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2019	218,262	92,005	17,916	378	328,561
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment					
At 1 January 2019	170,219	3,000	13,911	-	187,130
Depreciation charged in the year	6,187	4,600	401	95	11,283
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2019	176,406	7,600	14,312	95	198,413
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount					
At 31 December 2019	41,856	84,405	3,604	283	130,148
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018	48,044	89,006	4,006	-	141,056
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12 Fixed asset investments

		Other investments
Cost or valuation		
At 1 January 2019 & 31 December 2019		5,000
		<u> </u>
Carrying amount		
At 31 December 2019		5,000
		<u> </u>
At 31 December 2018		5,000
		<u> </u>
Other investments comprise:	Notes	2019 £
		2018 £
Investments in subsidiaries	18	5,000
		<u> </u>
		<u> </u>

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	2,759	2,216
Amounts owed by subsidiary undertakings	18,166	4,633
Other debtors	251	-
VAT recoverable	1,704	11,374
Prepayments and accrued income	10,089	38,893
	<u>32,969</u>	<u>57,116</u>

14 Creditors: amounts falling due within one year

	2019	2018
	£	£
Deferred government grants	1,663	2,493
Trade creditors	-	2,390
Other creditors	1,086	539
Accruals and deferred income	5,513	4,967
	<u>8,262</u>	<u>10,389</u>

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			
	Balance at 1 January 2019	Incoming resources	Resources expended	Balance at 31 December 2019
	£	£	£	£
The Bahamas Appeal	343,042	61,609	(93,105)	311,546
National Lottery Heritage Fund Grant:Museum	25,509	-	(3,550)	21,959
	<u>368,551</u>	<u>61,609</u>	<u>(96,655)</u>	<u>333,505</u>

The Bahamas Appeal is a specific fund for the restoration of the locomotive Bahamas and movements in funds are written off as incurred.

The National Lottery Heritage Fund Grant:Museum is the balance of the proceeds from the National Lottery Heritage Fund grant. The grant was provided to assist in the building of the society's museum. The fund is being written off in line with the life expectancy of the museum.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Analysis of net assets between funds

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:				
Tangible assets	64,506	65,642	130,148	141,056
Investments	5,000	-	5,000	5,000
Current assets/(liabilities)	96,875	267,863	364,738	373,731
	<u>166,381</u>	<u>333,505</u>	<u>499,886</u>	<u>519,787</u>

17 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Management charges of £13,565 (2018 - £4,420) were received from the subsidiary Bahamas Loco Trading Ltd. At the balance sheet date the amount due from the company was £18,166 (2018 - £4,633).

18 Subsidiaries

These financial statements are separate charity financial statements for The Bahamas Locomotive Society Limited.

Details of the charity's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Bahamas Loco Trading Ltd.	England & Wales	To promote the trading activities of the Society.	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Bahamas Loco Trading Ltd.	-	8,232